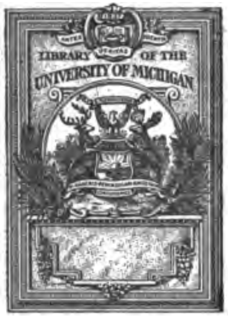
LIBRARY OF THE
UNIVERSITY OF MICHIGAN

THE

JENNINGS—MACK

DEBATE

ON

SILVER

THE

JENNINGS—MACK

DEBATE

AND THE RESULTING

MELVILLE DECISION

ON

SILVER COINAGE

BY

ALBERT H. WALKER

Of the Hartford Bar

HARTFORD, CONN.

PRESS OF THE CASE, LOCKWOOD & BRAINARD CO.

1896

PREFACE.

THE following pages contain a report of an imaginary debate between Mr. Jennings and Major Mack, and of the decision by Judge Melville of the question debated. The discussion is assumed to have occurred in the Auditorium in Chicago, Illinois, in September, 1896, before five thousand intelligent voters, and under the presidency of Mr. Marshall, who is assumed to have preceded the debate by a precise statement of the subject to be discussed. That preliminary statement of the case, together with all the speeches of the debaters and the decision of the Judge, were, however, actually written by me, in my study in Hartford, Connecticut, and have never been delivered anywhere as speeches or lectures, and have never before been published in any way.

I began my serious study of currency in 1873, and published my first short essay on money in the following year. During the twenty-three years which have passed since then, I have read much and thought long upon topics which are involved in the subject.

The great debate on silver, which is now shaking the nation, is being conducted by men of every variety and extent of intellectual equipment therefor. The orators whose speeches are most widely published and most numerously read on the two sides of the question, are Mr. William Jennings Bryan and Major William McKinley, respectively. They are both very able men, but the speeches which they are called upon to deliver, are collectively so numerous and separately so short, and are composed under such distracting conditions, that they are necessarily unsystematic and fragmentary, when contemplated as expositions of their complicated themes. Moreover, each of those distinguished orators not being able

to concert his arguments with definite reference to those of the other, their respective speeches do not match in their mutual altercations.

Under these circumstances, it has occurred to me to write and publish this joint debate, in order to systemize the most essential statements and arguments which they have thus far made on the subject of silver, together with the other statements and arguments which are logically necessary to their respective contentions on that subject, and in order to join clear issues upon all the most important parts of the problem involved in the discussion.

The relevant statistics of existing and of past quantities, I have mainly stated in round numbers, which deviate somewhat from the official figures, in order to minimize the burden of comprehending their import; but those deviations do not appreciably affect the course of the solution of the problem. My estimates of future statistical quantities are based upon rea-

sons which are stated and explained in connection with those estimates. And the whole work has been done in such light as I have been able to gather out of the study of statistics, the speeches of statesmen, the writings of economists, and the reflections of years.

A. H. W.

Hartford, Connecticut.
September 16, 1896.

STATEMENT OF THE SUBJECT.

MR. MARSHALL — Fellow Citizens: The issue to be discussed in the debate to which you are about to listen, has been formulated in a political platform, as "the free and unlimited coinage of gold and silver, at the present legal ratio of 16 to 1, without waiting for the aid or consent of any other nation." But inasmuch as both debaters favor the present free and unlimited coinage of gold at the present legal ratio, the subject of debate is limited to silver. And furthermore, the issue is limited to the coinage of silver dollars; because they are the only silver coins which participate in the present legal ratio to gold of 16 to 1; for the other and smaller silver coins have the present legal ratio of less than 15 to 1 relatively to gold.

The present legal ratio of 16 to 1 has arisen from the fact that, under existing law, gold is freely coined for bullion owners at the rate of 23.22 grains of fine gold to the dollar; while silver dollars are coined by the government, on its own account, at the rate of 371.25 grains of fine silver in each silver dollar. The last mentioned weight is not quite sixteen times greater than the other, but the resulting ratio is commonly designated as 16 to 1, to avoid burdening the mind with the exact decimal which represents the present legal ratio. Silver dollars have been coined at that ratio by the government, on its own account, ever since February, 1878; and the existing law, commonly called the Sherman Act, prescribes the continuance of such coinage of silver dollars, in limited but indeterminate numbers, which have averaged about 4,000,000 per annum during the last three years. Neither of the debaters in the present discussion will advo-

cate the stoppage of that coinage, under present conditions.

But Mr. Jennings will favor an enactment of a new law, without waiting for any other nation, providing that all owners of silver may have it freely coined for them by the government into silver dollars, exactly like those which are now being coined by the government on its own account; while Major Mack will oppose such enactment. That is the precise issue of the debate between those able and distinguished gentlemen; and inasmuch as Mr. Jennings takes the affirmative of the question, and proposes to change the existing status of coinage, while Major Mack takes the negative, and proposes no change in the law under present conditions, Mr. Jennings will make the opening argument. That speech will set forth the entire case for the affirmative, and then Major Mack will set forth the entire case for the negative of the issue, blended with reply to the affirmative case. Mr. Jennings will

follow with a rejoinder to Major Mack, without introducing any new affirmative argument in chief, and Major Mack will then close the debate, by a strictly constructed surrejoinder to the rejoinder of Mr. Jennings. These mutual altercations of the debaters will be followed by a decision, rendered by Judge Melville, on the merits of the controversy.

FIRST SPEECH OF MR. JENNINGS.

FELLOW CITIZENS: — My distinguished opponent and myself agree that the issue which we are about to debate in your hearing, is one of transcendent importance to you, and to all the citizens of these states. So, also, we agree upon many of the facts which are factors in the problem to be solved, for those facts are recorded in official or otherwise authentic statistics. But we disagree in ascribing known results to different causes in the past, and in foreseeing different results from particular causes in the future.

Any good judgment of the expediency, or otherwise, of that free and unlimited coinage of silver dollars which I advocate, must be based upon a fair consideration of a number of questions. These

questions are both primary and secondary in position, each of the primary ones depending upon a number of the secondary questions, and also upon some other primary question. There need be no doubt, difficulty, or dispute about formulating all the primary questions involved, and I suggest that they are the following: 1. How many silver dollars would be coined in the near future, out of now existing silver, under the proposed law? 2. What would be the results of the free coinage of silver dollars out of now existing silver? 3. How many silver dollars would be annually coined hereafter, under the proposed law, out of silver hereafter mined? 4. What would be the results of free coinage of silver dollars out of the future annual products of silver?

The first primary question partly depends upon the second, because the quantity of now existing silver which would be sent to the mints for free coinage, would partly depend upon the profit or other benefit found to result from the

coinage of the earlier installments. And the second primary question partly depends upon the first; because profits or other benefits found to result from free coinage of existing silver, would partly depend upon the number of silver dollars coined. Likewise, the third and fourth primary questions depend partly upon each other. And both of them also depend partly upon the first primary question and the second; because the numbers of silver dollars to be coined out of future products of silver, and the results of that coinage, would all partly depend upon the numbers and the results of the silver dollars coined out of now existing silver. Moreover, as I have already said, each of the primary questions partly depends upon each of a number of secondary questions. Thus, the first primary question partly depends upon the amount of the now existing silver, other than that already coined in the United States, and also upon the motives which may influence the owners of that silver to send it

to our mints to be coined. The second primary question partly depends upon whether gold coins would continue to be used as money in this country, after the enactment of the proposed law for the free coinage of silver dollars; and also upon what effect, upon prices of merchandise, would result from free coinage of silver dollars, with gold coins continuing to be used as money, and what effect upon such prices, would result from free coinage of silver dollars, with gold coins not used as money in this country; and what effect upon prices of silver bullion used in the arts, would result from the free coinage of silver in those two cases respectively. The third primary question partly depends upon what effect, upon the production of silver bullion, would result from the free coinage of now existing silver, and also partly upon whether such free coinage by the United States, without waiting for any other nation, would induce any other nation or nations to demand or receive more silver

for coinage than would otherwise be thus demanded or received. And the fourth primary question partly depends upon whether gold coins would continue to be used as money in this country, in competition with silver dollars coined from silver hereafter mined, if they should continue thus to be used in competition with silver dollars coined from now existing silver, and also partly upon what effect, upon the prices of merchandise, and the prices of silver bullion to be used in the arts, would result from such continuance or non-continuance of the use of gold coins as money in this country.

Now, it is undeniable, that not all of these questions can be accurately answered by any statistician and philosopher, however learned and logical. In this, as in most sociological problems, however, the directions of the tendencies may be determined, though the exact distances to which they would press, cannot be perfectly measured or foreseen. And it is wiser to determine those di-

rections as truly as we can, and to judge as well as we can, how those tendencies will affect each other, than it would be to neglect the subject entirely, and relegate the monetary welfare of our people to the operation of combinations of forces not studied or understood.

Probable Amount of Free Coinage from now Existing Silver.

The now existing silver in the world, consists of silver coins, other silver articles, and silver bullion. The silver coins amount to about $4,000,000,000, according to our coinage value. Few of these would ever be sent to our mints, under the proposed law, for coinage into silver dollars. For example, the $600,000,000 of limited tender fractional silver coins of the world would not be thus sent; for it would be impossible to collect them all, and expensive to collect many of them, and they could not be disposed of, in the form of our silver dollars, for as much as the conventional value at which

they now circulate in the forty or fifty nations where they now constitute the small change of the people. The $430,000,000, which have been coined by the United States government, on its own account since February, 1878, must also be deducted from the $4,000,000,000; for none of the owners of it could gain anything by having those now existing dollars recoined. And the $1,700,000,000 in India and China must also be omitted from the prospect; because they are distributed in small coins and small sums among 700,000,000 people, most of whom have but little communication with this country, and nearly all of whom are ignorant of the money broker's art of gaining profits by shifting coins from one country to another. These great deductions from the world's stock of silver coins leave not over $1,300,000,000 to be considered. That amount is distributed among nearly thirty nations, having an average of about $50,000,000 each. More than half of that $1,300,000,000 is now at

par with gold in the countries where it circulates; and therefore its owners can gain nothing by sending it here to be coined into dollars no better than dollars of gold. And the rest of the $1,300,000,000, is in use in sparsely settled countries, where it would rise in value on account of its coinability in the United States, but from which it would not be largely spared for export to this country. On the whole, I conclude that not enough of the present silver coins of the world would be sent, under the proposed law, to our mints, for free coinage into our silver dollars, to have any appreciable effect upon our monetary affairs.

The other silver articles in existence in the world, probably contain as much silver as the coins; for the coinage value, at our ratio, of the silver which has been produced since the discovery of America, is two and a half times as great as the corresponding value of all the silver coins in the world. But whether those silver articles contain more, or contain less

than $4,000,000,000 of silver, at our ratio, no important amount of them would be sent to our mint for coinage into dollars; because the great labor value which has gone into them would thereby be lost; and because added labor and expense would be required to put the silver which they contain into a condition to be coined; and because these two items would make it unprofitable to change those articles of silver into silver dollars.

The amount of silver bullion in the world at present is not accurately known. But there seems to be an agreement among economists of all schools, that the stock in private hands was small, when the United States government discontinued, on November 1, 1893, its purchases of silver bullion under the Sherman Act. There is no reason to think that any bullion which was in existence at that time would ever be presented for free coinage, to our mints, under the proposed law. The world's production of silver during the nearly three years since

that time, amounts to about $700,000,000 at our coinage value. It cannot be known how much of this has been used in the arts. Statisticians in former times estimated that more than half the world's production of silver was thus used; but the present concensus of opinion is that a quarter is a nearer estimate and probably is large enough. On that fair assumption, $525,000,000 of the production of the world since November 1, 1893, remains to be accounted for. During that time, the United States government has coined about 12,000,000 silver dollars; but they were all coined out of the $181,914,899 of bullion at coinage value, which the government had left November 1, 1893, of that which it had purchased under the Sherman Act. The other nations of the world have coined, since that time, silver enough to make about 325,000,000 of our silver dollars. This deduction leaves silver bullion enough in the world at present to make 200,000,000 silver dollars at our ratio. That bullion

will now sell in the silver markets of the world for only about $106,000,000; and there can be no strong doubt, that nearly or quite all of it would be sent to our mints for free coinage into silver dollars, in the near future, after the enactment, by the United States alone, of the proposed law, which I advocate.

Probable Results of Free Coinage of now Existing Silver.

The 200,000,000 of new silver dollars which would be coined in the near future, under the proposed law, for the private account of the owners of the bullion, would be exactly like the 430,000,000 silver dollars which have been coined by the government on its own account since February, 1878, except in their dates. They would have the same weight, fineness, and appearance; and they would be equally a legal tender for all debts, public and private; and would be equally receivable for all duties, taxes, and other sums payable to the government; and

they would be equally valuable in foreign countries. At present, the 430,000,000 silver dollars are at par with gold in this country; and it is clear that the new 200,000,000 would be at par with gold, unless their existence should depress the 430,000,000 to some lower level; for it is certain that the new dollars would be as good as the old ones.

I am convinced that the old and the new dollars would all be at par with gold in this country; because the same causes which have kept the old ones at par would equally operate upon the new ones, and are strong enough to do that work for both. Those causes are only the legal tender power of the present silver dollars, and their receivability for dues to the government; for those dollars have never been redeemable or redeemed in gold by the government, and the so-called government pledge in the Act of November 1, 1893, to maintain parity between silver dollars and gold is expressly as applicable to the proposed new silver dollars as to

the identical old ones. Those two causes of the parity between the present silver dollars and gold in this country have, indeed, been strong enough to maintain the same parity in our neighboring republic of Mexico, and some other foreign countries. But that fact does not require to be invoked in support of the precise point now under inspection. Whatever might be the effect, if any, in foreign countries of the coinage of the new dollars upon the value of the old and the new ones together, the legal tender function, and the function of paying federal taxes at par, which would equally belong to both old and new in this country, would keep both at par with gold in this country, unless those causes, while strong enough to have that operation on 430,000,000 silver dollars, would not be strong enough to have the same operation on 630,000,000 of the same kind of silver dollars. I am convinced that those two causes are far more than strong enough for the latter purpose; because the second one would give a use

of the whole amount, at par with gold, oftener than once in two years, and the first one would give a use at par with gold of the whole amount oftener than once in two weeks.

Having established the point that all the silver dollars coined out of existing silver, under the proposed law, would be at par with gold in this country as fast as coined, the next inquiry is, to find out what effect that would have upon the bullion price of now existing silver while still uncoined. It seems obvious that that price would immediately advance to par with gold bullion at the ratio of 16 to 1; for no person owning silver bullion which he could get freely coined in the United States into dollars, which he could dispose of at par with gold dollars at that ratio, would dispose of his silver bullion for gold bullion at less than that ratio.

The primary results of the free coinage of the now existing silver are thus shown to be two in number. They would be the addition of $200,000,000 to the legal ten-

der metallic money in the United States, and the advance in the price of silver bullion throughout the world from 53 cents to 100 cents for an amount of silver equal to that in a silver dollar. Some secondary results would follow from each of those primary results, and what those secondary results would respectively be, is the next question which arises.

At present there is about $1,000,000,000 of legal tender specie in the United States, and therefore the coinage of 200,000,000 new silver dollars would increase our money of ultimate redemption about 20 per cent. Though, as I have shown, the new silver dollars would be at par with all the old silver and gold dollars; that par value would be reduced 20 per cent. relatively to prices of commodities, in pursuance of the economic principle that the rates at which moneys and commodities are exchanged for each other, where other things are constant, are in proportion to the quantities of each to be exchanged. In accordance with this eco-

nomic law, when money is contracted, prices of commodities go down in the same proportion, and when money is expanded in volume, prices go up in the same proportion.

The advance of the price of silver bullion in the markets of the world from 53 cents to 100 cents for an amount equal to that in a silver dollar, would cause a direct loss, at that rate, to all those who must use some of the now existing silver bullion in the arts; and it would cause the same rate of gain to the owners of that bullion. But inasmuch as that particular bullion is now mainly owned and will be used in the arts in foreign countries, the question of the justice of that gain of bullion owners at the expense of those users of it in the arts, is not a question of economic import in this country.

The increase of 20 per cent. in prices of commodities in this country, which I have shown would result from the coinage, in the near future, of 200,000,000 new silver dollars under the proposed law

which I favor, is the real and important result at which that law is aimed, so far as the coinage of now existing silver is involved. It is clear that such an advance in prices would be beneficial to producers. Those who produce and consume equally would be unaffected by the advance; while those who produce more than they consume would be benefited at the just expense of those who consume more than they produce.

I hold that this result would be good and just. It would be good, because, in the aggregate, it would tend to equalize the ownership of property; for our producers are, in general, poorer than our consumers. And it would be just, because it would tend to undo the injustice which has been inflicted ever since 1873 upon our producers, by means of that constant lowering of prices which has resulted from the prohibition of the free coinage of silver dollars, which was enacted by Congress in that year. An elaboration of this point will find a proper

place in the last part of this speech, and therefore I will not argue it more fully at present.

Probable Amount of Free Coinage of Silver hereafter Mined.

The world's annual production of silver bullion has increased since the beginning of 1873 enough to make above 140,000,000 of our silver dollars; being an average increase of more than enough to make 6,000,000 each year. The production for 1895 was about enough to make $226,000,000. The proposed free coinage, operating as I have shown it would, to nearly double the present price of silver bullion, would naturally operate to largely increase its production still more rapidly than its production has increased since 1873. I should therefore expect the world's annual production, for the next four years, to average enough to make about 300,000,000 of our silver dollars each year. Assuming that one-quarter of the present production at pres-

ent prices is used in the arts; the present use in the arts is about enough to make 56,000,000 of our silver dollars. But the great increase of price of silver bullion, caused by the proposed free coinage, would largely diminish that use in the arts, relatively to population, and somewhat even absolutely. A fair estimate of such future use, would probably be enough to make 50,000,000 of our silver dollars, for each of the next four years. This would leave enough to make 250,000,000 of our silver dollars, all of which would be sent to our mints to be coined into such dollars for its owners, unless those owners could do as well with their bullion elsewhere. They could not do as well elsewhere, unless some other nation or nations, whose mints are not now open to free coinage of silver, should follow the example of the United States which I propose it shall set in that behalf. But no certain reliance can be placed upon any nation thus opening its mints in the future, for all have long refused to do

incidental advantage to us, as compared with the present price; because we would produce more silver for use in the arts in other countries, than we would buy from other countries for use in the arts in the United States.

The increase of $1,000,000,000 from the free coinage of future silver, would not increase prices of commodities in the same proportion; because business would largely increase in volume in the same time, independently of any change in prices, and would thus absorb much of the $1,000,000,000, without allowing the amount absorbed to affect prices. Probably $400,000,000 of the increase would be absorbed in that way during the next four years, because an increase of $100,000,000 per annum, in our specie money, is not too great to keep pace with our increasing business without being able to operate to increase prices also.

This would leave $600,000,000 to operate during the next four years upon prices in addition to the $200,000,000 to

be coined in the near future, out of existing silver. That $600,000,000 under the law of economics to which I referred in connection with the $200,000,000 would operate to gradually increase prices about 50 per cent. during the next four years, in addition to the increase of 20 per cent. which I have shown would follow from the free coinage of the first $200,000,000. And that increase of 50 per cent. on prices already increased 20 per cent. would amount to an increase of 60 per cent. on the original prices, which, added to the 20 per cent. would make an increase of 80 per cent. in prices during the next four years. And, I am proud to say, that such an increase of the rewards of the labors of our producers, is the chief reason for the proposed free coinage of silver dollars at the ratio of 16 to 1.

There are many orators at present speaking in the country who claim that the free coinage of silver dollars, at that ratio, would raise prices 100 per cent., because they say that the new silver dol-

lars would be the measure of future prices, and would be fifty-cent dollars only. But even according to their own view of the case those dollars would be 53-cent dollars, for 53 cents is the bullion value of silver enough to make one of them. And, at most, the free coinage of 53-cent dollars would, according to their own calculations, advance prices only 88 per cent., for 53 cents is only 47 cents less than 100 cents, and 47 cents is 88 per cent. of 53 cents. But I do not agree with those orators in respect of the way in which free coinage of silver dollars would advance prices, nor in respect of the extent of the advance.

There are right ways and there are wrong ways of producing good results. A good end does not justify evil means. I shall show that an advance of 80 per cent. in prices during the next four years is a good end; and I have already shown that the means through which free coinage of silver dollars will produce that result are not evil means. They are simply

the proper workings of an increased volume of currency, when that volume is increased to proper dimensions, after having been improperly contracted. There can be no moral wrong in expanding a currency when it is too narrow in volume; and I have shown that the proposed free coinage of 1,200,000,000 silver dollars would operate the same as an addition to our money of that amount of gold coin would operate. It would simply give us that much more currency, which would be as good then as any would be, which we have now. It would increase prices, not by substituting bad money for good money, nor by adding bad money to good money; but by adding to insufficient good money, enough more good money to raise prices to a just level. Now I know that good means do not justify bad ends, any more than good ends justify bad means, and therefore the operation of adding good money to good money, in the currency of a country, ought not to be carried so far as to raise prices too high to be just. I

therefore admit that the free coinage of 1,200,000,000 silver dollars would therefore be wrong, in raising prices 80 per cent. in four years, if such an advance is too high to be just. But it would be right if such an advance is not too high to be just. In the last analysis, the merits of the present debate turn upon the question whether such an advance in the prices of commodities would be just or unjust. I hold that it would be just, and shall now somewhat elaborate my reasons for that conclusion.

The laws of the United States always provided for the free coinage of silver dollars, from the beginning of the national government till 1873, and always at a ratio as favorable to silver as 16 to 1; and at that very ratio during the last thirty-nine years of that time. In 1873 our coinage laws were codified, and the provision for the free coinage of silver dollars was somehow omitted from that codification, and thereby repealed. The bill for the codification was long considered and elab-

orately debated, but that particular point was overlooked by most of the senators and representatives who voted either for or against the bill. It was thus overlooked, because Senator Sherman, who was the chief promoter of the codification as he has been of all our financial legislation for the last thirty-six years, did not emphasize that point in his speech to the Senate; and because the results which have followed from that stoppage of free coinage of silver dollars could not be foreseen by any one, and therefore its importance was neglected by nearly all those who voted upon the codification. Indeed, it is not probable that as many as ten men in Congress gave a moment's thought, one way or another, to the free coinage of silver dollars, at any time while the bill for the codification was being considered, nor for at least a year after its enactment. But it is not material whether that stoppage of free coinage was witting or unwitting. Its whole import resides in its effect; and that effect has been to

depress prices of commodities as much as they would be advanced again by the free coinage of 1,200,000,000 silver dollars in the next four years, as I shall now proceed to show.

That prices have declined since 1873 so much that an advance of 80 per cent. is not more than enough to restore them, is undeniable, and, indeed, almost or quite undenied. A price does not have to decline 80 per cent. in order to require an advance of 80 per cent. to restore it, for the declining per cent. is calculated on the original large price, while the advancing per cent. is calculated on the depressed and smaller price. For example, where a thing originally worth $90 declines to $50, it takes an advance of 80 per cent. to put it back, though it took a decline of only a little over 44 per cent. to put it down, because $40 is only a little over 44 per cent. of $90, while it is 80 per cent. of $50.

Now the largest class of producers in this country are our agriculturists, and

the interests of our agriculturists in money depend mainly upon those of their products that they sell for money, and their great money crops are wheat and cotton. The prices of both wheat and cotton are more than 50 per cent. lower in 1896 than they were in 1873, and therefore it would take an advance of more than 100 per cent. on the present price of each, to put it back to the 1873 level. The case is not so bad with all other productions which producers have to sell for money in order to get any money with which to pay the interest and principal of debts, and the taxes and other fixed charges on property; but it is bad enough on the average to make an advance of 80 per cent. in prices necessary to restore their incomes to what they would be on the basis of the prices of 1873; for, on the average, the decline of prices since that year has been about 44 per cent.

That decline would not have occurred, if the free coinage of silver dollars had not been stopped ; because such coinage

would have given us at least 1,360,000,000 more silver dollars than we now have, and those dollars added to our present currency of $1,700,000,000 would have increased its volume 80 per cent., and that increase of volume of currency would have kept prices up 80 per cent. higher than they now are. My estimate that free coinage since 1873 would have given at least 1,360,000,000 more silver dollars than we now have, is based on the fact that silver enough has been mined, since the stoppage of free coinage in 1873 to make about 3,150,000,000 silver dollars. Out of that silver the government has coined, for its own account, 430,000,000 silver dollars, which leaves enough to make 2,720,000,000; and it is fair to judge that half of this amount would have come to our mints for free coinage, if free coinage had not been stopped.

Thus far, I have shown that the stoppage of free coinage has made prices decline since 1873, so far that it would take an advance of 80 per cent. to put them back again; and that we can put them

back again to that extent by beginning free coinage again, and continuing it till that result is reached; and that it would probably be reached in about four years. What remains to be done, is to show whether that advance of prices is demanded by natural justice and public policy.

The advance of prices which would result from free silver coinage, is demanded by natural justice; because it is necessary to enable producers of wheat, cotton, and other commodities to pay the interest and principal of their debts, on the basis on which they contracted those debts. And natural justice also demands such advance, in order to enable producers to pay, with the same amount of products as in 1873, their taxes, their life insurance premiums, their doctor's bills, their lawyer's fees, their pew rents, and the wages of their hired men and hired girls, none of which items have fallen at all during those twenty-three years in which prices of products have been falling.

And public policy demands the advance of prices which I advocate; because it is needed to prevent the drones in the hive of our national industries from crushing the life out of the workers; needed to prevent the consumers from ruining the producers, and thus ultimately ruining themselves. Present prices are giving our non-producing money-changing classes more wealth than is good for them, and are depriving our producing and debtor classes of many things which are necessary to their deserved happiness, and to the development, and even the continuance of their power to produce.

Thus, my fellow citizens, I have endeavored to outline the case for the free coinage of silver dollars. That proposition is a cause which has won my whole judgment, and which I love with my whole heart. Its early triumph, I can foresee. And when it wins, it will lift the cruel cross from the bent back of labor, and will stop, with the voice of the awakened country, the progress of the procession toward the hill of Golgotha.

MAJOR MACK'S FIRST SPEECH.

FELLOW CITIZENS: — The existing statistics, which are stated in the opening argument of my able antagonist, are substantially correct; and I have no knowledge that his estimates of historical or existing quantities are materially erroneous. I agree also, with his formulation of the four primary questions which are involved in the subject of this debate, and with his general statement of the relation of those questions to each other, and of the secondary questions, upon which he says they partly depend. But I think that the methods in which he has worked out those questions to his conclusions are erroneous in so many and so material points, that the most important of those conclusions are necessarily vitiated.

It will be the endeavor of this argument of mine, to work out the questions which Mr. Jennings has formulated, in the same order which he followed, but in methods more logical and more accurate than his. If I make any error which he can correct, I shall be glad to have him correct it in his second speech ; for it is more important to solve our problems truly, than that any particular man should have the credit of solving them.

Probable Amount of Free Coinage from Now Existing Silver.

Mr. Jennings argues that not enough of the present silver coins of the world would be sent, under his proposed law, to our mints, for free coinage into our silver dollars, to have any appreciable effect upon our monetary affairs. That conclusion is valid, in its application to the silver coins of the United States and other gold standard nations ; because those coins now circulate in those nations at conventional values as high as

the coinage value of silver at the ratio of 16 to 1. But that conclusion is not valid in its application to the silver coins of Mexico, and some other silver standard nations; because those coins now circulate in those countries at the bullion value of the silver which they contain; and because there would, therefore, be a profit of nearly 100 per cent. in sending them to this country to be coined into our silver dollars, if the theory of Mr. Jennings is correct, that such coinage would raise those dollars to par with gold. However, I will pass over this particular error in his calculations; because it is debatable how many millions of the present silver coinage of foreign nations, would be sent to our mints, for free coinage into our silver dollars, under his proposed law; and because I do not need to use the point, in order to overthrow his argument.

Mr. Jennings says that no important amount of other silver articles would be sent to our mints for free coinage into

dollars; because the labor value which has gone into them, and the labor value which would have to go into them to fit them for coinage, would make their coinage unprofitable. This conclusion is valid in its application to plated silver-ware, and to the more complex or ornate forms of solid silver articles; but it is not valid in its application to solid silver knives, forks, and spoons; because the two items of labor cost, would amount, in their cases, to only a small fraction of the difference between their present bullion value, and their coinage value under the proposed law. However, I will pass over this error also; because it cannot be foreseen what proportion of the enormous amount of silver in the solid silver knives, forks, and spoons of the world would be sent to our mints for free coinage, and because the case against free coinage is strong enough without this point.

Mr. Jennings estimates the now existing silver bullion, which would be sent to our mints, for free coinage into silver

dollars, in the near future, after the enactment of the proposed law, by the United States alone, at enough to make 200,000,000 silver dollars, at our ratio. This estimate is entirely based upon the silver production of the last three years, and assumes that there is no silver bullion in the world more than three years old. This may be so; but it is not probable, for it implies a far greater demand for silver bullion than is indicated by its fall of price from over 80 cents an ounce to less than 70 cents an ounce during the last three years. However, I will also pass over this ground of criticism ; because I find no statistics of the present stock of the world's silver bullion, and because my argument can afford to concede the contention of Mr. Jennings upon the point.

Thus I reach a formal agreement with Mr. Jennings upon the probable amount of free coinage from now existing silver, in estimating it at enough to make 200,000,000 of our silver dollars.

PROBABLE RESULTS OF FREE COINAGE OF NOW EXISTING SILVER.

Mr. Jennings says that he is convinced that the now existing 430,000,000 silver dollars, and the 200,000,000 of new silver dollars, which would be soon coined from now existing silver, under his proposed law, would all be at par with gold; because they would all be legal tender for all debts, public and private, and would all be receivable for all dues to the government. I admit that those two causes, and those alone, are what maintained our present silver dollars at par with gold, until the panic of 1893. But since that time, those two causes have been helped, and have had to be helped, in that work, by a third cause. That third cause is the action of President Cleveland's administration, in uniformly paying out gold in redemption of greenbacks, instead of paying out silver dollars in that redemption. That gold was requested, not because the holders of the greenbacks feared that the government would be dissolved, as

the Southern Confederacy was, and the greenbacks therefore become worthless, as the confederate notes are, but because they wanted the gold for export, or for speculation. If the government had met that request for gold, by paying out silver, and hoarding gold, the demand for export would have had to be met out of gold in private hands, and would have caused the private owners of that gold to ask and receive a small premium thereon. As soon as exporters of gold paid any premium on gold, however small, the speculators who had failed to get gold from the government on their greenbacks would have bought up gold at the small premium, with a view to put up the price, and sell it at a higher premium. This process would have been repeated as long as exporters had to have gold for export, and that would have been a long time, because silver, being below par with gold in this country, would not have been received in any foreign country for any more than its value here, nor indeed

for so much. Thus it is plain enough, that not even our existing 430,000,000 silver dollars would have been kept at par with gold in this country, during the last three years, if the government had hoarded its $100,000,000 gold reserve, and paid out only silver dollars for greenbacks, when they were presented for redemption. The good times may come again, when the two causes mentioned by Mr. Jennings will be strong enough, as they were before 1893, to maintain our 430,000,000 silver dollars at par with gold. But the hard times, like those of the last three years, may also come again; and when they come, those silver dollars will fall below par in gold, in spite of those two causes, unless they are aided by the government hoarding silver dollars and paying out gold, instead of hoarding gold and paying out silver.

These plain reasons show the argument of Mr. Jennings, on this particular point, to be unfounded and unsound. And he cannot give any validity to that argument,

unless he shall amend it by adding a reliable guarantee that, always in the future, the administrations in power from time to time will be both able and willing to hoard silvèr dollars, and pay out gold in redemption of greenbacks, whenever exporters of gold or speculators in gold or in bonds shall present greenbacks for redemption. Of course no such guarantee can be given; and indeed, in the elaborate speech of Mr. Jennings, of the 12th of August, in Madison Square Garden, he expressly disapproved of that policy himself.

The failure of Mr. Jennings to prove his proposition, that the proposed new silver dollars would be at par with gold in this country, must vitiate his entire argument under the head of the probable results of free coinage of now existing silver; because that proposition is the basis of that entire argument. What those results would be, is therefore still an unanswered question; and we must try to work out

an answer anew. Let that, therefore, be our next endeavor.

Having shown that even our present 430,000,000 of silver dollars cannot be kept at par with gold, in trying times, unless the government pays out gold for greenbacks whenever greenbacks are presented for redemption, it follows that those silver dollars, and 200,000,000 more of the same kind, cannot thus be kept at par with gold in the absence of such greenback redemption.

The next question is whether the free coinage, in the near future, of those 200,000,000 silver dollars would make it impossible for the government to maintain gold redemption of greenbacks. And the greenbacks in question include not only the $346,000,000 of United States notes of the time of the civil war, but also the $130,000,000 of Treasury notes, issued under the Sherman Act of 1890 ; for the latter, like the former, are government promises to pay coin on demand ; but not any particular coin. The government

never has gold enough at one time to pay even a quarter of those notes; though heretofore it has generally succeeded in maintaining the $100,000,000 gold reserve for that purpose; and that reserve, thus maintained, has been sufficient to redeem all the greenbacks, presented for redemption; though it had been depleted about half, on several different occasions, when doing that work.

Now, whenever that $100,000,000 gold reserve is exhausted, it will become impossible for the government to redeem any more greenbacks in gold. And it must be exhausted very soon after the holders of even half the $476,000,000 of greenbacks shall acquire the opinion that it is about to be exhausted; much as any bank must suspend payment to its depositors very soon after the owners of even half of its deposits acquire the opinion that it must soon suspend payment.

Now the free coinage of 200,000,000 more silver dollars would surely impart, to the holders of at least half of the

$476,000,000 of greenbacks, the opinion that the $100,000,000 gold reserve must soon be exhausted; because that event would make them believe that gold must soon go to a premium over silver. And that belief would arise out of their concurrence with Oresme, Copernicus, and Sir Thomas Gresham, in holding to the so-called Gresham law, that where two metals are freely coined in a country, on the private account of the owners of the bullion, at a ratio which is different from the ratio of the market value of the bullion in foreign countries, the coins of the metal which is undervalued in the coinage, will go to a premium over the coins of the other metal, because they will have greater purchasing power in those foreign countries. It will not be denied by Mr. Jennings that the holders of at least half of the $476,000,000 of greenbacks do concur with those three great men of former centuries, in holding to the Gresham law; and indeed, I have been in-

formed that Mr. Jennings himself believes that law to be true, as it undoubtedly is.

Having thus shown that the free coinage of 200,000,000 of silver dollars, in the near future, would carry gold to a premium over silver, the question arises as to how great that premium would probably be. The maximum possibility would be equal to the percentage of value, in foreign markets, of the gold in a gold dollar over the silver in a silver dollar. At present, that difference is about 88 per cent., for whereas the silver in a silver dollar is worth 53 cents in foreign countries, the gold in a gold dollar is worth 47 cents more than that. The demand for the bullion to be coined into the 200,000,000 silver dollars would materially advance the price of silver bullion above the 53 cent rate ; but that demand would not advance that price to the 100 per cent. rate, for as soon as any advance would begin, it would stimulate production of new silver bullion materially beyond the present rate, of about enough to make 226,-

000,000 silver dollars each year. The amount of the increased production could not be foreseen, and would be differently estimated by both sellers and purchasers at different times. These fluctuations of opinion would co-operate with fluctuations in actual supply, to make the price of silver bullion also fluctuate. It is far beyond the power of the human mind, to certainly foresee what would be the range and the limits of that fluctuation. My own opinion is, that during the first year of free coinage of silver dollars, the bullion price of silver enough to make one would range at about 75 cents; which range would involve an advance nearly half way up to par with gold from its present price; and which estimate is probably too high to secure the concurrence of many economists. If that estimate is erroneous, that error is in favor of silver, and its correction would therefore strengthen, and not weaken, my argument.

Now, when silver bullion enough to

make a silver dollar is worth only 75 cents in gold coin; and when the owner of that silver bullion can get it coined, without charge, into a silver dollar; our gold coin will be at a premium of 33 per cent. over silver dollars in foreign countries, because both will be taken there at their bullion value only. And the same thing is true of their power to purchase foreign goods in this country. But the power of the silver dollars to pay debts in this country, and also to pay duties and other dues to our government, would be the same as that of gold coin. Gold coins, being 33 per cent. better than silver dollars, for the purpose of buying foreign goods, and paying the hundreds of millions of dollars of annual American tourist expenses in Europe, while not any better for the purpose of paying debts and government dues in this country; the excess of their general value over that of silver dollars, would naturally seem to be less than 33 per cent. And this seeming is supported by the further fact, that there

are other reasons why the premium of gold coin over silver dollars in this country, would be less than the value of gold bullion over silver bullion in foreign countries at the same ratio. Those reasons are, the commissions of agents for buying the bullion in foreign parts; the cost of transporting the bullion from foreign countries to our mints; the cost of insurance thereon during the transit; and the interest on the cost of the bullion after its purchase, and before it is coined into dollars, and the dollars delivered to the owners. For all these reasons, I will assume, that when gold bullion is at a premium over silver bullion of 33 per cent. in foreign countries, at the ratio of 16 to 1, gold coins would be at a premium of only 25 per cent. over silver dollars in the United States.

Thus I have shown that the free coinage of 200,000,000 silver dollars in the near future would carry gold coins to a premium in this country of at least 25 per cent. over silver dollars. The first effect

of that event would be to drive out of the volume of our currency all of the $570,-000,000 of gold coin which now is a part of that volume; for all that coin would be held for sale at 25 per cent. premium, instead of being used as money at par. Thus, instead of the total currency of the country being expanded from its present $1,700,000,000 to $1,900,000,000 by the free coinage of 200,000,000 silver dollars in the near future, that total currency would be contracted to $1,330,000,000, or about 22 per cent.; and our legal tender specie money would be contracted from $1,000,000,000 at present to $630,000,000 then, or 37 per cent.

Now Mr. Jennings said in his opening speech, that it is an economic law that where money is contracted, prices of commodities go down in the same proportion, and *vice versa*; and he applied this law as if its operation depended entirely on contraction and expansion of specie circulation, without regard to the presence or absence of any contraction or expansion of total

circulation, including specie and paper. If his law and his application of it are both correct, then his proposed free coinage of 200,000,000 more silver dollars would reduce the prices of commodities 37 per cent. instead of increasing those prices 25 per cent. as he calculated they would. But his case is not so bad as that, at this point, for his "law," when it works at all, depends upon the contraction or expansion of total currency, and not specie only, and our total currency would contract only 22 per cent. as a result of his proposed free coinage; and, according to his "law," prices would not contract 37 per cent. but 22 per cent. only.

It is, however, the general opinion of people, that free coinage of silver dollars would immediately increase prices, and I shall soon show that it would largely increase them within a few years, though not immediately. But this general opinion would tend to make the immediate effect a depressing one upon prices, because it would cause creditors to press

debtors for immediate payment of debts, and that pressure would compel debtors to sell their products for whatever they would fetch, in order to avoid insolvency; and that urgency of so many debtors to sell, would depress prices by increasing supplies on the markets. This decline, added to the depression of prices due to the contraction of the currency, would probably aggregate a fall of 25 per cent. at least, which would ruin many of the very producers whom Mr. Jennings seeks to benefit by his plan, before that scheme could do them any good. When that time would arrive, many of the persons who compose those producers would be beyond the benefits of rising prices, for they would have nothing left to sell.

But the twenty-five per cent. contraction of prices, caused by the contraction of the currency, resulting from the free coinage in the near future of 200,000,000 silver dollars out of now existing silver, would soon be followed by an expansion of prices, due to the 25 per cent. premium

on gold coins, resulting from the same free coinage; and that expansion would be equal to that premium, for reasons which will be stated and explained in a later part of this speech ; and that expansion would thus restore prices to their present level, soon after the fleecing of the debtors which would result from the first and contracting effect of free coinage.

Another effect of the free coinage of 200,000,000 silver dollars in the near future, would be to fix in the minds of all intelligent holders of numerous railroad and other bonds, the opinion that they must soon and largely decline in selling price. And that opinion would powerfully accelerate that result, by causing those holders to throw great numbers of those bonds on the market at once. In a few minutes I could show some of the ways in which such a decline in prices of such bonds would work havoc with the means of living of people too old to work and of children too young to earn; but

the point is so obvious and so painful that I will pass it by without elaboration.

So, also, the increase in the price of silver bullion which would result from free coinage, would increase, at the same rate, the cost of the great quantities of silver bullion which are annually used in the arts in this country. That increase would artificially transfer some millions of dollars each year from the people of the United States to the mine owners of the world; but that would be among the least of the wrongs which would result from the free coinage, in the near future, of now existing silver into silver dollars.

Probable Amount of Free Coinage of Silver Hereafter Mined.

Mr. Jennings estimates the number of silver dollars which would be coined during the next four years, out of future silver under free coinage, at 1,000,000,000 in addition to the 200,000,000 which he says would be coined in the near future out of now existing silver. His estimate is

surely small enough, and I think it is too small, for I think he underestimates the stimulating effect of free coinage upon silver mining. But I will pass that criticism and assume the correctness of his estimate. But he himself seems to be overawed by the size of his figures, for he arbitrarily limits his calculations to four years. He evidently thinks that free coinage of silver is so enormous a fiscal force that it may not be safe to let it run any longer than that; and, anyhow, he shuts his eyes to what would probably happen if it should continue beyond that time. But in this view the country cannot wisely follow his programme for the next four years, unless he can give a guarantee that his free coinage law will be repealed at the end of that time, if its continuance would be hurtful to the people. For while a President can make a law for free coinage by signing a passed bill to that effect, or prevent that law from being made by vetoing the bill, he cannot repeal a law for free coinage, nor

any other, unless Congress sends him a bill for that purpose. Therefore, even if he were the President himself, it would be beyond the power of Mr. Jennings to repeal his proposed free coinage law, if he should become convinced that it ought to be repealed. But I will pass that point, and will show that the results of the free coinage of 1,000,000,000 silver dollars during the next four years out of future silver, in addition to the free coinage of 200,000,000 silver dollars in the near future out of now existing silver, would be very bad and very unjust results.

Probable Results of Free Coinage of Silver hereafter Mined.

I have shown that the coinage of the 200,000,000 silver dollars would contract our present total currency from $1,700,000,000 to $1,330,000,000, and have shown how the first effect of that contraction would be to depress prices and ruin many debtors, and hurt many creditors. The coinage of 1,000,000,000 silver dollars

would expand our total currency to \$2,330,000,000, and the whole of the \$2,330,000,000 would be on a silver basis, because \$1,630,000,000 of it would be in silver, and the rest would consist of \$346,000,000 of civil war greenbacks, \$130,000,000 of Sherman notes, and \$224,000,000 of National Bank notes, all redeemable in gold or silver, but actually not redeemed in gold, because gold would be at a premium, and gold payments suspended, as I have already shown.

Now, the purchasing power for commodities in foreign countries, and for foreign commodities in this country, of any amount of that \$2,330,000,000, would be the same as its power to purchase gold. That is to say, the prices of all such commodities would be gold prices, and their silver prices would be the gold prices, plus the premium on gold. In the former part of my argument I have shown that one effect of the free coinage of the first 200,000,000 silver dollars would be to carry gold to a premium of 25 per cent.

The coinage of 1,000,000,000 additional silver dollars would surely not diminish the price of gold. On the contrary, it would increase it, for any great increase of the volume of the silver or paper money of a country where gold is already at a premium, naturally raises the price of gold still further. No one can foresee how great that advance of gold would be, but it would probably be about the same in proportion as the increase in the volume of our $1,330,000,000 of currency caused by the addition thereto of the 1,000,000,000 silver dollars. That increase would be about 75 per cent. But to be on the safe side of my argument, I will assume that gold would consequently increase only 60 per cent. in value. Being worth 1.25 before any of the $1,000,000,000 is coined, the 60 per cent. must be reckoned on 1.25. Now 60 per cent. of 1.25 is 75, which added to 1.25 would carry gold to 200, which is a premium of 100 per cent. And that is about where gold would go, as a result of the free

coinage of 1,000,000,000 silver dollars out of future silver during the next four years, in addition to the free coinage of 200,000,000 silver dollars in the near future out of now existing silver.

Thus it fairly appears that the free coinage of that 1,200,000,000 silver dollars would reduce the present purchasing power for foreign commodities of all our currency one-half. And the purchasing power of that currency for competing domestic commodities would be also reduced one-half; for the sellers of those commodities always take as much as they can get for their goods, and when foreign goods require twice as much money as formerly to buy them, competing domestic goods advance at the same rate, not necessarily because they must, but because they can. In truth, however, they often must, for their producers often have to buy foreign goods for use in composing their products. And, moreover, the wages of American labor in producing all domestic commodities must advance,

and cause an advance of their labor cost, under free silver coinage, in order to enable American operatives to buy tea, coffee, and sugar, and other foreign commodities, at the advanced prices.

And domestic commodities, which do not compete with foreign goods, would also share the advance in prices due to the premium on gold, because the elements entering into their cost must advance with the advance in the prices of foreign goods, and of domestic goods competing with foreign goods. In short, foreign goods do not advance unto themselves, nor decline unto themselves, and any cause that puts the whole of them 100 per cent. up, likewise puts up domestic goods. Therefore, I conclude that the free coinage of 1,200,000,000 silver dollars in the next four years would increase the prices of all commodities about 100 per cent.

The opening argument of Mr. Jennings, through a different course of reasoning, carried him to the avowed conclusion that

such free coinage would advance prices of all commodities about 80 per cent. He holds that the advance would be due to increasing our stock of good money by $1,200,000,000 of money as good as it. I hold that it would be due to depreciating all our money one-half in value. But that issue is rather a theoretic than a practical question, for Mr. Jennings and I agree that the advance in prices will be very great in point of fact. And the difference between our estimates of its extent may be neglected in the further argument of the subject, because it is a difference of only 20 per cent., and because neither of us can claim that, on our respective principles of calculation, our estimates are exact. Moreover, the operations of an advance of 80 per cent. would differ from the operations of an advance of 100 per cent. in prices, only in degree, and a comparatively small degree at that. I think that my estimate of 100 per cent. is substantially correct, but the residue of my argument may be conducted

upon the basis of 80 per cent., though, of course, it must be stronger still, upon the basis of 100 per cent.

I take diametric issue with Mr. Jennings upon that part of his argument in which he contends that an advance of 80 per cent. in prices would be just, and would be promotive of public policy. And in supporting my utter dissent from that conclusion, I shall go somewhat into details.

Mr. Jennings conducted his argument under this head by attempting to show that the coinage Act of 1873 put a stop to the free coinage of silver dollars; and that that stoppage is what has depressed prices of commodities at least enough, since 1873 to make an advance of 80 per cent. necessary to restore them to the level of that year; and that we can put them back to that level by beginning free coinage again, and continuing it until that result is reached; and that natural justice requires us to do so, in order to enable producers to pay the interest and

principal of their debts, and their taxes, life insurance premiums, doctor's bills, lawyer's fees, pew rents, and wages of hired men and hired girls, with the same amount of products that would have been sufficient, before the fall of prices thus caused; and that public policy requires the same thing in order to avoid giving our non-producing money-changing classes more wealth than is good for them, and in order to give our producing and debtor classes more wealth, that would be good for them. And it is for me to now reply to these points, in their order.

It is true that the coinage Act of 1873 put a formal stop to the free coinage of silver dollars; but that coinage was substantially stopped by the coinage Act of 1834, and was never substantially started again. And that substantial stoppage of 1834 was done deliberately too, and with the avowed purpose of establishing the single gold standard, and was done under the promotion of Daniel Webster and Thomas H. Benton, and was approved by

Andrew Jackson himself. The method of the stoppage consisted in allowing free coinage in form ; but in coupling it with the condition that more than a gold dollar's worth of silver must be put into every silver dollar thus coined. And the committee of the House of Representatives, which had charge of the bill, said in its report in its favor that "The committee think that the desideratum in the monetary system is a standard of uniform value ; they cannot ascertain that both metals have ever circulated simultaneously, concurrently, and indiscriminately in any country where there are banks or money-dealers, and they entertain the conviction that the nearest approach to an invariable standard is its establishment in one metal, which metal shall compose exclusively the currency for large payments."

It is true that the ratio which was established by the law of 1834, and which accomplished this result of making it necessary for any one, who got a silver

dollar coined, to furnish more than a dollar's worth of silver to go into it, was the ratio of 16 to 1; but it is also true that silver was worth more than gold at that ratio at that time, and with the exceptions of the years 1808, 1812, and 1813, had always been so, ever since the dawn of history. In 1834, and for thirty-nine years afterwards, any owner of silver bullion could get it freely coined in France, at the ratio of 15½ to 1 of gold; and the Congress of 1834, and President Jackson who signed the coinage bill of that year, knew that substantially all silver bullion which might otherwise come to our mints for free coinage into silver dollars, would thereafter go to France instead, or elsewhere, where it could be sold or get coinage at the ratio of 15½ to 1. The difference between the two ratios is more than 3 per cent., and that difference was nearly as effective to keep silver dollars from being coined in our mints as a difference of 100 per cent. would have been, and the latter would

have been as effective as absolute and formal prohibition. This was so well understood in 1834, that the coinage bill of that year was popularly known as the gold bill. Moreover this practical prohibition of free silver coinage always continued from the passage of the Act of 1834 to that of the Act of 1873; for there never was a time between those periods when silver bullion enough to make a silver dollar could have been purchased for a dollar in gold. This was the real reason why only 6,591,721 silver dollars were coined in the United States during the thirty-nine years between the passage of the Act of 1834 and the Act of 1873.

The fiscal effect of the Act of 1834 was thus what it was intended to be. It was the establishment of the gold standard; for under it no bullion owner could afford to get his bullion coined into silver dollars, except for the purpose of melting or export. So many of the 6,591,721 of them that were coined were promptly melted or exported; and so few were ever in circu-

lation in this country, that I venture the opinion that not twenty men in this vast audience ever saw a United States silver dollar prior to 1873. Indeed, the avowed purpose of the formal prohibition of free coinage of silver dollars, by the Act of 1873, was to save to the government the expense of coining two or three hundred thousand silver dollars a year, to be melted or exported by the owners of the silver therein. It was convenient, for such owners, to get their silver officially stamped in point of weight and fineness with a view to melting or exporting, and they did so under the law of 1834, at the expense of the government. Putting a stop to that practice in 1873 put a stop to that expense; and that was precisely what Senator Sherman promoted in securing the prohibition of free coinage of silver dollars in the Act of 1873; and that reason was stated as the ground for that prohibition, by Mr. Hooper of Massachusetts, in his speech of April 9, 1872,

in the House of Representatives, in favor of the bill.

It so happened, however, that the production of silver in the United States was above 25 per cent. greater the next year after the passage of the coinage Act of 1873, than it was the last year before; and in 1874, silver went down to the ratio of 16⅙ to 1 to gold. And it has continued to fall nearly all the time ever since, till now it is down to a ratio of about 30⅓ to 1 to gold. Now it is probably true that if the free coinage of silver dollars had not been formally stopped in 1873, before silver fell below 16 to 1 in 1874, it would not have been stopped at all before now; because Senators Stewart and Jones of Nevada, whenever such stoppage might be proposed, would have vexed the air of the Senate Chamber for months with the cry that Great is Diana of the Ephesians: being prompted thereto by the argument of Demetrius the silversmith that "by this craft we have our wealth." I think it was a great good fortune to the country

that the Act of 1873 happened to be passed, before those Californian representatives of the Nevada silver mines foresaw that silver bullion would soon fall; and also foresaw how profitable the free coinage of silver dollars would soon become, at the ratio of 16 to 1 to gold.

In opposition to this view, Mr. Jennings may probably say that it was a great misfortune to the country, that the free coinage of silver dollars happened to be formally stopped in 1873; because though the permission to coin them at the rate of 16 to 1 had been so nugatory up to that time, it would have become useful to the country during the next year, and would have remained so ever since. The next question therefore is, whether it has really been the non-coinage of silver dollars, free of charge, for the owners of silver bullion, that has depressed the prices of commodities 44 per cent. since 1873, so that an advance of 80 per cent. would be required to put them back where they were then.

The statement of Mr. Jennings, that average prices have declined about 44 per cent. since 1873, is probably based upon the London tables of Mr. Sauerbeck, which are accepted by economists, as the most scientific and reliable of any which cover the entire time from 1873 to 1895. According to those tables, it would appear that average prices in London fell just 40 per cent. during that time, or an average of somewhat less than 2 per cent. each year. In order to make up his 44 per cent. Mr. Jennings therefore had to estimate the decline since 1895 at 4 per cent. for one year, or double the average decline since 1873. But overlooking the largeness of the overestimate, I will proceed on that assumption.

Now, Mr. Jennings contends that that decline was caused by the non-coinage of 1,300,000,000 more silver dollars than have been coined in the United States since 1873 ; on the ground that such non-coinage contracted our currency about

44 per cent. below what it should have been, and that such contraction in turn contracted prices to the same extent. But the contraction of prices which has occurred since 1873 has been too much inconstant, irregular, and un-uniform to be accounted for by so constant, regular, and uniform a cause, as the non-coinage of silver, free of charge ever since 1873.

According to the tables of Mr. Sauerbeck, the average prices of commodities did not decline constantly and regularly from 1873 to 1896; but were much higher in 1880 than in 1879, and were decidedly higher for the four years 1888, 1889, 1890, and 1891, than for 1886 or 1887; and were as high in 1891 as they were in 1885; during which six years they would have declined 12 per cent. if the theory of Mr. Jennings had been true. The Senate report of 1893, on wages, transportation, and prices, was agreed to by all the Senators of both parties, on the committee which made it; and that report showed, that from 1873 to 1891, the prices of food

products, as a class, fell less than 10 per cent., while clothing fell 33 per cent., and implements fell 35 per cent. So also, bar iron fell 69 per cent., kerosene oil fell 75 per cent., refined sugar fell 63 per cent., nails fell 80 per cent., window glass fell 50 per cent., carpets fell 59 per cent., and calicoes fell 50 per cent.; while butter fell only 2 per cent., and eggs actually advanced, during about the same space of time. And lest Mr. Jennings might otherwise jest at a citation of so small a thing as an egg in so serious a debate as this, I will mention that the value of the eggs which are produced in the United States is greater than the value of all the wheat consumed here. Now, plainly, it was not so constant, regular, and uniform a factor as the non-coinage of silver dollars free of charge, that produced so inconstant and irregular a thing, as the fall of average prices from 1873 to 1895, and produced so un-uniform a thing as the fall of prices of different articles during that time.

Furthermore, it can be shown what causes did produce the widely varying declines of prices of commodities since 1873. Those causes were, declines in cost of production, increases in extent of production, and declines in cost of transportation, and, in some cases, declines in extent of demand. Under the first head, I will mention the enormous reduction in the cost of producing wheat, due to the self-binding reaper and other labor-saving inventions. Under the second head, I will cite the fact that production of wheat in the United States increased 144 per cent. in 1892 over 1873. Under the third head, I will point out that the cost of transporting wheat by lake and canal from Chicago to New York declined over 80 per cent. during the same time. And under the fourth head, I will inform Mr. Jennings that the consumption of wheat per capita, in the United States, declined 25 per cent. from 1892 to 1895. These facts all refer to this particular commodity, which has declined about 50 per cent.

in price since 1873, and upon which Mr. Jennings lays most of his stress on this point.

Though I have thus disproved that it was the non-coinage of silver dollars, free of charge, which depressed prices enough since 1873 to make an advance of 80 per cent. necessary to raise the level of average prices to where that level stood in that year; I admit that we can raise them to that level by beginning such free coinage now and continuing it long enough. My only disagreement with Mr. Jennings on this point is that he calculates it would take four years of free coinage to lift prices to that average level, while I estimate that four years of free coinage would lift them 100 per cent. If I am right, they would go up 80 per cent. in about three years, and if he is right they would go up 100 per cent. in five years of free coinage; and the difference between his five years and my four years, in this behalf, may be disregarded hereafter, in this debate.

The practical issue between us, in this debate, is thus reduced to the question, whether natural justice and public policy require such an advance in prices of commodities.

I hold that natural justice does not require it, in respect of debts, because very few existing private debts were contracted as long ago as 1873, and almost all of them are not half so old as that, and most of them are not more than two years old. They were not contracted on the basis of prices 80 per cent. higher than those of 1896, nor even 10 per cent. higher on the average; and any scheme for paying them on a basis of prices 80 per cent. higher than those of 1896, is distinctly contrary to natural justice.

And though many public debts of cities, towns, counties, states, and the nation were originally contracted as early as 1873, most of them have been refunded in recent years, by borrowing money on new bonds from new creditors to pay the old debts. And even where the same

bonds, which were originally issued on account of old public debts, are still outstanding, substantially all of them have been purchased in recent years by new creditors, so that as to them the debts are new. To pay those debts on the basis of prices 80 per cent. higher that those of 1896, would be to injure those innocent purchasers to that extent, and not to affect the original purchasers of the bonds at all.

And natural justice does not require taxes to be paid on the basis of prices of 1873, for a man's taxes are practically paid to himself, or rather to a governmental partnership in which he is a full partner, and if they were paid on the basis of prices of 1873, they should have to be increased in amount to the same extent, either by increasing the rate of assessment of property, or the rate of taxation on the present assessment.

Nor is any advance of prices needed to work natural justice to those who pay life insurance premiums, for if prices con-

tinue at their present level, they or their beneficiaries will get back from the companies money as strong in purchasing power as any they have ever paid in premiums, and stronger, if prices decline still further; and in either event, they will get the same number of dollars that they would if prices should advance hereafter.

And doctors' bills and lawyers' fees will rise as fast as prices can be advanced, for no one wisely employs either unless he really must or should, and when he does, he has to pay the bills or fees which are charged, however high they may have been forced up, by the increasing expenses of those professional men, due to the advance of prices of commodities.

It is true that clergymen and hired men and hired girls are more at the mercy than doctors or lawyers of those who pay them; but it is also true that natural justice does not ask that the latter should have prices of commodities advanced for their benefit, while leaving the minister,

the man, and the maid to pay those higher prices out of their present small salaries and wages.

The argument from natural justice is thus shown to be entirely void, and the case for the free coinage of silver dollars is reversed into the appearance of a scheme to put up prices in order to enable debtors to pay their debts with less value than those debts brought to them when they were incurred.

And the argument from public policy which was advanced by Mr. Jennings is as unsound as his argument from natural justice; because it is the general fact in this country that the producers are strong and cannot be crushed, while the non-producers are weak and dependent. A typical producer is a man who went, in the full strength of manhood, to the rich prairies around Lincoln, Nebraska, and received from the government a gift of 160 acres of fertile land, which contained the accumulated agricultural treasures of ages within their beautiful bosoms. Such

a man, after gathering those riches long enough to furnish his farm with a good house, a good barn, sufficient fences, abundant machinery, enough implements, and enough animals, may last year have borrowed $5,000 from some widow in Connecticut at 6 per cent. interest with which to purchase an additional quarter section of land. He is the producer, and she is the non-producer in the case. And now, lest that widow should crush the industrial life out of that stalwart Nebraskan, Mr. Jennings eloquently argues that the prices of what he raises with the proceeds of her money must be artificially advanced 80 per cent., though the artificial cause of that advance will also advance at the same rate the cost of her living.

And that plan for scaling down debts by statute, is one feature of the cause which my eloquent young opponent says has won his whole judgment, and is loved with his whole heart.

On the other hand, both natural justice

and public policy forbid an increase of 80 per cent., or 100 per cent., in the average prices of commodities during the next four years or five, because such an advance would correspondingly reduce the amount of commodities which could be purchased by those millions of our citizens who have to spend all their incomes even at present prices, and would do this without correspondingly increasing those incomes; and because such an advance would correspondingly increase to millions of others the cost of the same commodities which they now purchase, and would do this without increasing their incomes correspondingly. And all these millions of citizens are also divisible into those whose incomes would not be increased any by the proposed free coinage of silver, and those whose incomes would be increased somewhat thereby, but not in so large a proportion as the increase of prices.

To the first of these classes belong nearly a million pensioners of the United

States, who were soldiers of the Union, or are the widows or orphans of such soldiers who were killed or have died. To the same class belong numerous old or invalid men, past the power of production, and barely supporting themselves and their dependents now, by means of the interest which is coming to them from the few thousands of dollars which were the fruits of their lifetimes of labor, and which were lately loaned to men still active, or to corporations which never grow too old to operate. To the same class belong a great number of old widows and young orphans who are barely supported out of the interest on notes, bonds, and mortgages which were left to them by deceased husbands and fathers, or in which the proceeds of the life insurance policies of husbands and fathers have been invested since the deaths of the latter.

To the second of these classes belong all men and women in the United States who receive annual salaries for their ser-

vices to persons, partnerships, corporations, towns, counties, states, or the nation; for those salaries would not advance, on the average, nearly as fast or as far as would the prices of commodities. And to the second class, also, belong all agricultural, mechanical, and other workers for daily, weekly, or monthly wages; for many of those laboring persons are not employed to produce commodities, the advance in the price of which could enable their employers to increase their wages; and the others know, from experience, that wages to workmen do not rise with profits to employers merely because they can be advanced, but only because they must be advanced in order to keep the workmen from quitting, and they also know that they can seldom afford to quit work for want of an advance of wages, because others generally are ready to take their places at the old rates.

And furthermore, both natural justice and public policy forbid an increase of 80 or 100 per cent. in average prices during

the next four years or five, because it would reduce 44 or 50 per cent. the purchasing power of the $1,800,000,000 which are on deposit in savings banks, and belong to nearly 5,000,000 different persons among our people, and would thus deprive those millions of persons of nearly or quite half of the value of their hard-earned savings. Many of these persons would seek to prevent that loss as soon as they would know that prices were about thus to advance, and the only way they could do so would be to immediately withdraw their deposits and invest them in commodities before the advance would begin or go far. Such withdrawals would compel the savings banks to call in all their demand loans, and if necessary to foreclose all their demand mortgages; and that course would ruin many of the farmers and other producers and people, who owe those debts and have given those mortgages.

And finally, both natural justice and public policy forbid an increase of aver-

age prices of 80 per cent. or 100 per cent. during the next four years or five, because it would reduce 44 or 50 per cent. the value of the more than $5,000,000,000 which are coming to more than 2,000,000 dependent persons, from the life insurance policies which have been purchased for their benefit by those who are laboring to support them now, but who must soon leave them with little but that life insurance upon which to subsist thereafter.

And my arguments against the proposed increase of prices are further strengthened, by the fact that the increase would apply to commodities like refined sugar, kerosene oil, and many other things, which are exclusively produced by wealthy trusts and combinations, and thus would enormously enrich those interests, at the expense of all the people.

Thus, my fellow citizens, I have endeavored to outline the results of the proposed free coinage of silver dollars. But no analysis, however searching, can foredetermine all the injustices and evils

which would result from the execution of that programme. Mr. Jennings cannot have carefully contemplated even what can be known of the subject. Like many a brilliant and admirable young genius before him, he has allowed his impulses to mislead both his judgment and his heart. But the complex questions which must always reside in the management of a currency cannot be solved by any metaphor, however pathetic, nor any elocution, however melodious. They yield only to patient investigation, strict analysis, logical synthesis, and comprehensive constructive ability.

THE SECOND SPEECH OF MR. JENNINGS.

FELLOW CITIZENS: — I agree with Major Mack's statement that the main issue between us has been reduced, by his argument, to the question whether natural justice and public policy require an advance of 80 or 100 per cent. in the present prices of commodities. To that question I devoted only the last two paragraphs before the closing one, of my first speech; but Major Mack has devoted, to his reply to those paragraphs, more than six times as many words as they contain. If I were to rejoin by an argument proportionately labored and detailed, my reply would be ramified beyond the endurance of the hearers who are hearing, and beyond the patience of the readers who may read our debate.

Fortunately, therefore, there is a much shorter cut to an effective rejoinder. That shorter course will consist simply in showing that the argument of Major Mack, upon that subject, cannot be fatal to the independent bimetallism which I advocate, without being also fatal to the international bimetallism which is favored by him.

That international bimetallism is expressly called for by the Republican platform, upon which he stands, under the name of an international agreement, for the free coinage of silver, with the leading commercial nations of the world, and which agreement that platform pledges Major Mack to promote. Thus Major Mack is solemnly pledged to promote the enactment of exactly the same free coinage law that I advocate, whenever the leading commercial nations of the world want to enact the same kind of free coinage law for themselves. If such a law would be really contrary to natural justice and public policy in this country,

those evil facts cannot be reversed into the opposite merits here, by simply introducing the same evil facts into foreign nations.

The fact that Major Mack and his party have solemnly and permanently pledged themselves to enact such a law for the United States, as soon as the other leading commercial nations of the world will agree to pass such laws for themselves, is a fact which shows that his party and himself know or believe such a law to be necessary and right. It is not for me to prove what motive the Major can have for contending to the contrary in this debate. Nor is it necessary for me to analyze and upset those ingenious arguments by means of which he has endeavored to persuade you to the contrary of what the Republican platform, upon which he stands, shows to be his own real opinion.

And that real opinion is correct; because nothing but the free coinage of silver will loosen and disengage the grasp

of the money power of creditor Europe from the throat of the debtor world. Thus, China, in repaying to the Rothschilds and other millionaires of England her loan of 1885, paid nearly twice as much silver as she received; because the loan was made and was paid in silver on the gold basis; and because gold largely advanced, relatively to silver, while the loan was outstanding. And thus the millionaire money-mongers of Europe will continue to bleed the peoples of Asia, Africa, and America, as long as those peoples will continue to do business with them upon the gold basis.

And our country itself is not exempt from the machinations of miniature money manipulators of our own; men whose oppressive operations deal with thousands or millions only, instead of the scores, or hundreds or thousands of millions, which are managed from the money centers of England, France, and Germany. These and their European backers and exemplars are the wolves who

are stealing the clothing of American pensioners and widows, in which to work their schemes of private and of public plunder, through the operation of the single gold standard for money. Out! out! upon them, I say; and upon their witting and unwitting political allies and instruments. The time is coming and now comes, in which they will be hunted from cover, and chased to financial hades by the indignant peoples of the awakened world.

MAJOR MACK'S SECOND SPEECH.

FELLOW CITIZENS: Every orator must be allowed to construct and deliver his speeches on the lines of his own native genius. The genius of Mr. Jennings seems to run along the lines of emotional rhetoric better than on the lines of passionless reason. In the article of glowing metaphorical perorations, few orators can equal him. The figure of the lifting of the cruel cross from the bent back of labor, and of the arrest of the progress of the procession toward the hill of Golgotha, with which he put a period to his first speech in this debate, is comparable to his already celebrated metaphor about pressing down upon the brow of labor a crown of thorns, and crucifying mankind upon a cross of gold. And the figure of the wolf hunt, with which he

has just ended his second speech, has much of the martial sound and mad music of the hymn of the Marseillaise. But, after all, metaphors are uncontrolling in economic discussion. Such discussion is more accurately conducted by minds more analytic, than it can be by intellects so grandly imaginative as that of Mr. Jennings.

But, Mr. Jennings is logical enough to see that my argument against his proposed advance of prices to the extent of from 80 to 100 per cent. cannot be answered on the merits, and he has therefore made no attempt to thus answer it. He has adroitly substituted for any other answer, an argument *ad hominem;* that is to say, an argument to the particular man with whom he is debating, but having no force to any men not similarly situated. That argument *ad hominem* consists in his contention that because I stand upon the Republican platform in favor of international free coinage of silver, I am estopped from opposing independent free

coinage of silver by the United States alone. But that argument would not be valid even as against me, without some thing to show that laws for international free coinage would operate the same as I have shown that a law for independent free coinage of silver would operate. Accordingly, Mr. Jennings says that "If such a law would be really contrary to natural justice and public policy in this country, those evil facts cannot be reversed into the opposite merits by simply introducing the same evil facts into foreign nations." The answer to this taking argument is that free coinage of silver is not evil in itself, like ordinary stealing. It is good or is evil according to circumstances, like eating or like lifting. A hungry young soldier died in the civil war from eating too much on one occasion, and men have broken arteries and died from lifting too much. Moderate eating would have been good for that young soldier on that occasion, and moderate lifting would have strengthened the

arteries of those other men, and thus and otherwise prolonged their lives.

In like manner, free coinage of silver would be a good thing for this country if England, France, and Germany would engage in it at the same time; because three-quarters or more of the silver bullion which would come to our mints under independent free coinage by the United States alone, would go to their mints under international free coinage by all four nations at the same ratio of 16 to 1; and because the four nations together might thus raise the price of silver bullion to par with gold bullion at that ratio, though the United States alone could not do so; much as four farmers can lift a log with benefit to business and without injury to either of them, which might burst an artery in either of them if he should try his utmost to lift it alone.

Mr. Jennings has himself furnished facts in his first speech in this debate, which show how this would be. In that speech he estimated that the world's pro-

duction of silver bullion, during the next four years, in addition to that used in the arts, would amount to enough, under free coinage, to make 1,000,000,000 silver dollars, and that all of it would be sent to our mints for that purpose, in the absence of free coinage in any other nation not now thus coining any silver. Now, in the presence of free coinage in England, France, and Germany at our ratio of 16 to 1, as well as in the United States, only about one-quarter of this amount would come to our mints, and the other three-quarters would go to the mints of the other three countries. In another place in his first argument Mr. Jennings estimated that even as many as 400,000,000 silver dollars could be absorbed by the increasing business of the United States during the next four years, without operating to increase prices at all. I did not, in my first speech, controvert that estimate nor endorse it, for its accuracy was not important in that connection. I think, however, that it was too large, and

that 250,000,000 is about the true figure. If it is the true figure, then the United States can absorb its share of the world's future production of silver seeking free coinage without the consequent increase of our currency operating to increase prices, provided England, France, and Germany will take and absorb their share also. And if Mr. Jennings's estimate of $400,000,000 in this behalf is correct, then the United States could safely undertake, with any two of those nations, to absorb the world's available silver in free coinage, without any consequent increase of prices of commodities in either.

This explanation shows the difference between international free coinage and independent free coinage of silver. The first would increase the volume without lowering the value of money, and without increasing prices of goods. The second would increase the volume of money, but would lower its value and increase the prices of goods. Therefore Mr. Jennings did not prove that the second is a

good and just plan, when he showed that those who stand on the Republican platform favor the first.

But Mr. Jennings also says that nothing but free coinage of silver will loosen and disengage the grasp of the money power of creditor Europe from the throat of the debtor world. The only proof of this opinion which he attempts, is his statement of how the Rothschilds and other millionaires of England made nearly 100 per cent. profit on the loan to China of 1885. But if he will think a minute or two, he will see that that profit was made possible only by the fact that China was on a silver basis at home, while compelled to do business on a gold basis with England. Therefore his statement that "Thus the millionaire money-mongers of Europe will continue to bleed the peoples of Asia, Africa, and America as long as those peoples will continue to do business with them upon the gold basis," should be amended by adding the

words "while doing business on the silver basis at home."

The concluding paragraph of the second speech of Mr. Jennings is a powerful denunciation of the Rothschilds and the other great moneyed men of Europe, together with their allies and followers in these states, as being engaged in a gigantic conspiracy to fasten the single gold standard on mankind, with a view to promote their own enormous profits. Now I may not meet that eloquent peroration with another as eloquent, but I can meet it with a fact. The modern movement for the establishment of the gold standard for continental Europe first took official shape in France, and in 1869; and Baron Alphonse de Rothschild, then the French representative of the Rothschild family, and one of the regents of the Bank of France, opposed it with all his might.

In this country, at present, most of the men who are learned and skillful in monetary matters are opposed to "the

free and unlimited coinage of silver at the present legal ratio of 16 to 1, without waiting for any other nation." The direct interests of many of them doubtless ratify that opposition; but many others of them have no pecuniary interest in the subject, except so far as they have pecuniary interest in the general welfare of the people of the United States. Such persons, testifying to their fellows out of the fruits of the studies and labors of lifetimes, do not deserve the denunciation which Mr. Jennings hurled at them all, at the close of his second speech.

Thus, fellow-citizens, without any denial of the goodness of intention of any man who is unconvinced by my arguments, I now bring this debate to a close, and shall listen with serenity to the decision of Judge Melville upon the merits of the great controversy.

THE DECISION OF JUDGE MELVILLE.

THESE arguments of Mr. Jennings and Major Mack, upon this question of the free and unlimited coinage of silver dollars, are all quite unlike other arguments which are current upon that subject. A quality which characterizes them all consists in their omission to present certain facts which could have been made to appear material to the controversy, but which are really uncontrolling thereof.

For example, Mr. Jennings could have shown that the fall of prices since 1873 has been nearly coincident in extent with the fall of silver bullion during the same time, and he could have argued therefrom, that both those declines must have resulted from the same cause, and that that cause could have been no other than the non-coinage of silver dollars, free of

charge, during the last twenty-three years, and that that keeping of close company between silver and commodities, in the wide departure of both of them from gold, proves that silver rather than gold is the proper metal for standard money. But that plausible showing and argument would have been a misuse of the time and strength of the debaters, and of the patience of the audience, because Major Mack would have had to reply, by presenting the well-known statistics, which show that the decline in prices could not have resulted from the non-coinage of silver dollars, or the decline in silver bullion, because the decline in prices began eight years sooner than the non-coinage of silver dollars, or the decline in silver bullion began; and by presenting the other well-known statistics, which show that never, prior to 1873, was there any coincidence between the declines and advances of prices, and the declines and advances of silver in this country, and particularly that during the twenty-five years,

beginning in 1825, average prices fell almost exactly at the same percentage that they fell during the twenty-three years beginning in 1873, while silver was exactly at the same price in 1825 and in 1850, and had never deviated from that price as much as 1½ per cent. at any time during that quarter of a century; and by showing that the great decline of prices during the twenty-five years ending in 1850, was somewhat steepest during the first quarter of that time, and was not materially diminished at its end or at any time, by any increase in the production of gold.

So also, Mr. Jennings might have elaborately exhibited the present imperfect condition of national finances, and the present depressed condition of production and exchange among the people of this country, and might thereupon have insisted, that free coinage of silver dollars, at the ratio of 16 to 1 to gold, ought to be applied as a remedy for those evils, because Major Mack suggested no rem-

edy therefor in his speech. But Major Mack could have met this contention, by saying that the remedy proposed by Mr. Jennings is the only subject of this debate. It is well known that Major Mack advocates an increase of the revenue, by means of a duty on wool, and an increase of duties on some other importations, as a means of making the national income equal the national expenses, and of checking imports so as to give us a favorable balance of trade with foreign countries. And it may be that such a plan would put a stop to the demand for the redemption of greenbacks in gold; and would justify a considerable increase of our paper money, without causing any ground for fear that it would depreciate below gold; and would also justify the coinage, into silver dollars, on government account, of part or of all of the silver bullion which was purchased under the Sherman Act, and now lies idle in the vaults of the treasury. But however that may be, the burden of the present debate is upon Mr.

Jennings, to make out the case in favor of his remedy, and the merits of other remedies for the present situation are not material to the question of the merits of his.

And again Mr. Jennings might have declared that the United States must have a different monetary standard from that of England, in order to maintain financial independence of the mother country; but Major Mack could have shown that argument to be void, by mentioning that it would logically require us to have a different language from that of England, in order to maintain political independence; for there is no difference between using words, like those of England's laws, in making laws of our own, and using metals, like that of England's money, in making money for ourselves.

On the other hand, Major Mack could have shown that though average prices have declined about 44 per cent. since 1873, certain statistics of wages indicate that they are fully as high now

as they were then; and he could have argued therefrom, that wages, and not prices, are true tests of the question whether silver has gone down and gold remained stationary, or gold gone up and silver remained stationary since 1873. But Major Mack properly refrained from burdening the debate with those elaborate statistics and that consequent argument; because Mr. Jennings could have met them by showing that those labor statistics refer only to the employes in seventeen particular industries, where wages are paid in cash, and do not attend to the larger number of workingmen, such as farmers, who work for themselves, and whose rates of reward for their labor are not shown nor even indirectly indicated by those labor statistics. It may be that if those rates of reward were disclosed in those statistics, they would give to the latter strength enough to materially support the argument of Major Mack; but in the absence of that information, the statistics would be logically inadmissible in

this debate, much as a fragment of a document is inadmissible in court, to prove the purport of the whole paper. Besides, it is debatable, and is debated, among economists, whether wages would remain stationary, or would advance, if our standard of money were ideally adjusted in value and volume, to all the conditions of labor-saving inventions, as well as to all the conditions of labor and of exchange. That is a question which would have to be decided, in order to weigh the significance to this debate, of the labor statistics of which I speak, even if those statistics had contained the rates of the reward of labor done for the workers themselves, as well as the rates of rewards of labor done for others, for wages. For these reasons I should have been obliged to lay those statistics out of the case, if they had been introduced by either party.

So also, Major Mack might have elaborately shown that the amount of currency in the United States at present, is some-

what more than double the amount of currency in the United States in 1873; and he might have argued therefrom that the contraction of prices which has occurred since that time could not have resulted from any contraction of the currency. But Mr. Jennings could have met this contention, by explaining that his argument in that behalf was based on the theory of a relative contraction of the currency since 1873, and by elaborately arguing that, though the currency has absolutely expanded since that year, it has expanded so much less than production and needed exchange of commodities, that it has relatively contracted. Thereupon Major Mack might have taken issue with the estimates of Mr. Jennings of the actual expansion of production and exchange; and the debate might have continued indefinitely on that collateral question, without finally furnishing enough data for its decision, and even if decided, without materially affecting the question

of the wisdom of the proposed free coinage of silver dollars.

Under the clear and candid management of the debaters, the great issue between them was reduced to the question whether natural justice and public policy require an advance of 80 or 100 per cent. in the present prices of commodities; but upon that issue they diametrically differ still.

In formulating and announcing my opinion upon that question, it is necessary for me to consider all the interests which would be affected by the proposed increase, and to consider how its operation, upon those interests, would comport with natural justice and public policy.

An increase of 100 per cent. in the prices of commodities would practically scale down debts 50 per cent. in all cases where the money paid, would be procured by the sale of average commodities, and would be used in the purchase of average commodities. But so far as that money would be otherwise procured, or would

be used in paying other debts, or in buying real estate, or in paying salaries or wages to employes, or in doing anything, except purchasing average commodities, the scaling down would sometimes be absent, and would sometimes be present in a higher, and sometimes a lower degree, than 50 per cent., and in a somewhat lower degree than 50 per cent. on the average.

In point of natural justice, the result is to be judged by the scaling down of 50 per cent. or more; for a particular injustice is as real when done to one person, as when done to two or more persons. But in point of public policy, the case is not so bad; because an average scaling down of debts to an extent less than 50 per cent. would be less injurious to the people as a whole, than would scaling down the same debts 50 per cent. or more.

It would take a very strong argument to convince me that it would be just to pass a law to scale down any existing

debts 50 per cent., or at any other rate; and another very strong argument to convince me that a general scaling down of all debts, not to exceed 50 per cent. on the average, would comport with public policy. The only argument which Mr. Jennings has made, or can make, to either of those effects, is that such scaling down is necessary to enable producers to pay their debts, on the basis on which they were contracted. But Major Mack replied to that argument, by saying that very few existing private debts were contracted as long ago as 1873, and that almost all of them are not half so old as that, and that most of them are not two years old; and that those debts were not, on the average, contracted on the basis of prices even 10 per cent. higher than those of the present time. Mr. Jennings did not try to controvert the correctness of the Major's statement of facts on this point; and I do not doubt that correctness.

Now, if each debt would be scaled

down by the proposed advance of prices, at the same rate at which its value has been increased by the decline of prices since 1873, there would be some strength in the contention of Mr. Jennings on this point. But that would, according to the mathematical laws of chances, probably not happen in the case of any one debt, for the degree of the increase of its value would depend upon the age of the debt; and the degree of scaling down would depend, as far as the debtor is interested, upon what particular resources he used to raise the money to pay the debt, and as far as the creditor is interested, upon whether he would use the money in whole or in part, and if part, then what part in buying commodities, and if so, what commodities; or whether he would use all the money in some other way, and if so, what way.

For commodities would not advance uniformly, under the operation of the programme which is advocated by Mr. Jennings, because any advance would di-

minish the amount which it would be within the power of sundry millions of the people to purchase, and those people would have to stop the purchase of some commodities altogether, and those would not advance so far as others, which every one would be compelled to buy.

The result of the scaling-down process, therefore, would be to scale down some debts 50 per cent. or more, which, according to the argument of Mr. Jennings himself, cannot be justly scaled down even 1 per cent.; while scaling down other debts not at all, or not so much as 1 per cent., which according to his argument ought to be scaled down 50 per cent., or even more; and while scaling down not one debt at the same rate that is called for by the argument of Mr. Jennings. Moreover, the average scaling down of debts, which would result from an average increase of 100 per cent. in prices of commodities, would be much greater than the average increase of the value of the existing debts has been, during their ex-

istence; because that increase has certainly not been so much as 10 per cent., while that scaling down would doubtless reach far up toward 50 per cent. For these reasons, the argument of Mr. Jennings is too weak to convince me that his proposed scaling down of debts would be consistent with natural justice and public policy; and indeed the foregoing analysis of the matter has convinced me to the contrary; and therefore, on the subject of private debts, I must decide the debate against Mr. Jennings.

The facts and reasons which I have stated as making the proposed scaling down of private debts inconsistent with natural justice and public policy, apply also to all public debts. And in respect of the public debts owed by the United States, the scaling down would be partial repudiation; for it would result from an Act passed by the United States, without the consent of the pensioners, or other parties to whom those debts are to be paid. For all these reasons, I must

decide the question of public debts, also, against Mr. Jennings.

Taxes would probably increase, under the programme of Mr. Jennings, quite as fast as prices, and if so, producers would not be benefited by the proposed increase of prices. If the increase of prices should prove to be more rapid or more extensive than the consequent increase of taxes, the difference would not be great, and would unjustly injure the public officers having fixed salaries, and other persons in the service of the public, nearly or quite as much as it would benefit producers. And all tax-payers, who do not produce commodities, would be seriously injured by the increase of taxes which would surely follow, if it did not accompany the proposed increase of prices. For these reasons I must decide against Mr. Jennings on the subject of taxes.

Life insurance premiums would generally increase with the proposed increase of prices, and thus deprive the insured

of any benefit therefrom, on that account, even where the insured is a producer of commodities. And so far as premiums would not thus increase, the value of the policies would correspondingly diminish ; and thus the insured, as such, would receive no benefit from the proposed increase of prices in any event. Therefore, I must decide against Mr. Jennings on the subject of life insurance premiums also.

Doctors' bills and lawyers' fees are so much under the control of those professional gentlemen, that there is no reason to suppose that they would not be advanced in rate, as fast and as far as the prices of commodities. And they would largely be increased in the aggregate, by that programme, for that programme would largely increase both sickness and litigation. It would increase sickness by depriving millions of people of necessary food, clothing, and shelter, and by overstraining the strength of millions of people in vain endeavors to increase their

incomes, in order to make them meet their increasing expenses. And it would increase litigation, by introducing into the business of millions such complications as litigation alone can untangle and adjust. For these reasons I must decide the question of doctors' bills and lawyers' fees against Mr. Jennings.

On the subject of pew rents, Mr. Jennings overlooks the fact that they are voluntary payments; and I think that the growing necessities of clergymen, under the proposed increase of prices, would prompt parishioners, including producers of commodities, to increase pew rents, and thus increase ministers' salaries, as fast as prices would increase. I must therefore decide that Mr. Jennings did not strengthen his case by his argument from pew rents.

Hired men and hired girls get no more than they deserve now when they spend their wages at present prices; and the argument that the proposed increase of prices would diminish the burden of the

payment of those wages, must equally show that it will diminish the value of those wages in the hands of those who receive them. The argument of Mr. Jennings, therefore, reacts powerfully against him on this point; and I must decide this point also against him.

The remaining and final argument of Mr. Jennings, in support of the proposed increase of prices, is that "present prices are giving our non-producing money-changing classes more wealth than is good for them; and are depriving our producing and debtor classes of many things which are necessary to their deserved happiness, and to the development, and even the continuance of their power to produce." But present prices have resulted from the laws of supply and demand; and Mr. Jennings has failed to show in his arguments, that his proposed artificial advance of prices would help the comparatively poor, at, or not at, the expense of the comparatively rich; while certain strong arguments of Major Mack have convinced me that these

changes would hurt the poor for the benefit of the rich.

Those arguments relate to the diminution which would result from increased prices, to the purchasing power of the money due, or to become due: to pensioners; to old and invalid, and to widowed and orphaned creditors; to those receiving fixed salaries; to all persons working for daily, weekly, or monthly wages; to those who have saved from past earnings, and have put those savings into savings banks; and to those for whose benefit life insurance policies have been purchased by their natural protectors. Mr. Jennings made no reply to the arguments of Major Mack on any of these points; and though I have heard and read replies to similar arguments elsewhere, I have never read nor heard any which have any validity. I must therefore decide in favor of Major Mack, on all of those points.

Thus, I have decided, that the question whether natural justice and public policy require an advance of 80 or 100 per cent.

in the present prices of commodities, must not only be answered in the negative, but also that such a programme would be contrary to natural justice and public policy, both.

And inasmuch as Mr. Jennings said, in his first speech, what is evident to us all, that an increase of prices of commodities is the real and important result which would be caused by the proposed free and unlimited coinage of silver dollars, at the present ratio of 16 to 1, without waiting for the aid or consent of any other nation; I must and do decide that such free silver coinage would be wrong and injurious.

Judgment for Major Mack.